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December 9, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mission Insurance Company
3333 Wilshire Boulevard
Los Angeles, CA 90010

**Re: Potential Claim for Environmental Damage in the
Coeur d'Alene Basin, Northern Idaho
Insured: Group R Co., Inc.
Policy Nos.: MN006899 (2/1/82 - 10/1/82)
MN012832 (10/1/82 - 10/1/83)
MN013665 (10/1/83 - 10/1/84)**

Dear Sir or Madam:

We write on behalf of Group R Co., Inc. ("Group R"). Group R is the successor by merger to the Golconda Corporation (formerly known as the Golconda Lead Mines, Inc. (from 1927-1962) and the Golconda Mining Corporation (from 1962-1970)) and was formally known as the RegO Company (from 1977-1978) ("RegO") and RegO Group, Inc. (from 1978-1992) ("RegO Group"). From 1974 through 1976, Cerro Corporation ("Cerro") owned approximately 85% of the shares in Golconda Corporation. In 1976, Cerro was merged into the Cerro-Marmon Corporation ("Cerro-Marmon") and Cerro-Marmon continued to hold an 85% interest in Golconda. In 1977, Cerro-Marmon changed its name to The Marmon Group, Inc. ("Marmon Group") and continued to own 85% of Golconda/RegO/RegO Group until 1985, when Marmon Group purchased the outstanding 15% of stock in RegO Group and became the owner of 100% of the stock.

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GRP "R" CDA dm - 0419

December 9, 1997

On or about August 29, 1997, the United States Department of Justice and the Coeur d'Alene Tribe filed motions in the United States District Court for the District of Idaho seeking leave to amend their complaints to add Group R as a defendant and seeking contribution pursuant to CERCLA toward the cleanup costs of the Coeur d'Alene mining district in Northern Idaho as well as Natural Resource Damages. A copy of those motions are enclosed for your information.

By letter dated October 31, 1997, we provided notice of Group R's claim to Mission Indemnity Company. A copy of our letter to Mission Indemnity Company is enclosed for your reference. By letter dated November 13, 1997, National American Insurance Company of California informed us that our October 31st letter to Mission Indemnity had been misdirected and that we should direct our notice to Mission Insurance Company. A copy of NAICC's letter also is enclosed for your reference. Accordingly, we are now writing to you.

Your company provided insurance coverage to either Golconda Corporation, Cerro, Cerro-Marmon, the Marmon Group, Marmon Holdings, Inc., the Pritzker Interests (including all divisions, subsidiaries and affiliates thereof) and/or Group R which obligates it to both defend and indemnify Group R against this claim. Kindly acknowledge your receipt of this notice and your acknowledgment of your defense and indemnity obligations by sending a written letter to Michael David Lichtenstein, Esq., Lowenstein, Sandler, Kohl, Fisher & Boylan, 65 Livingston Avenue, Roseland, New Jersey 07068.

Should you have any questions please do not hesitate to contact the undersigned.

Very truly yours,



Michael David Lichtenstein

MDL:dmw

Enclosure(s)

cc: Michael L. Rodburg, Esq.
William T. Sweeney (The Marmon Group, Inc.)

LS 003970

December 9, 1997

bcc: Robert W. Webb, Esq.
Michael Dore, Esq.
Robert D. Chesler, Esq.
David M. Wissert, Esq.

LS 003971